FILE COPY

No. 571

Supreme Court of the United States

WILLIAM KOBER, *Petitioner,*

(Appellant in the Circuit Court of Appeals and Defendant in the District Court),

v.

UNITED STATES OF AMERICA, *Respondent,*

(Appellee in the Circuit Court of Appeals and Plaintiff in the District Court).

PETITION FOR WRIT OF CERTIORARI

and

BRIEF IN SUPPORT THEREOF.

MARK P. FRIEDLANDER,
Attorney for Petitioner,
502 Hill Building,
839 Seventeenth St., N. W.,
Washington 6, D. C.

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PETITION FOR WRIT OF CERTIORARI.

To the Honorable, the Chief Justice and Associate Justices of the Supreme Court of the United States:

The petitioner, William Kober, for his petition herein, respectfully shows to this Honorable Court as follows:

I.

Pursuant to the provisions of Rule 38, particularly subdivisions (a) and (b) of said Rule of this Honorable Court, your petitioner respectfully applies for a writ of certiorari to review the decision and judgment of the United States Circuit Court of Appeals for the Fourth Circuit, rendered in the above entitled proceeding on December 11, 1948, reported 170 Fed. (2d) 590, which affirmed the determination and judgment of the District Court of the United States for the Eastern District of Virginia rendered herein on May 26, 1948.

II.

The Jurisdiction of This Court.

The jurisdiction of this Court is invoked under Sec. 240(a) of the Judicial Code (8 F. C. A., Tit. 28, § 247).

This proceeding involved a claim by the United States that two applications for patents filed by the petitioner were the property of the United States, and the action was by the United States to require the specific performance of a contract to assign two patent applications.

The District Court ordered specific performance, and the Circuit Court of Appeals for the Fourth Circuit affirmed said judgment.

The opinion of the Circuit Court of Appeals was printed on November 8, 1948, but the judgment was not rendered until December 11, 1948, when a petition for rehearing was denied.

III.

Statement of the Matters Involved.

Petitioner was employed by the Signal Corps Ground Signal Service in April of 1942, after having served some four years in other branches of the Government. His duties were performed in the Pentagon Building near Washington, D. C. until January of 1943, when he was transferred to Ft. Monmouth, New Jersey. Before being allowed to perform further services under his employment he was required to sign certain formal memoranda prepared by order of the Director of the Signal Corps Ground Signal Service Laboratories. One of these papers was the Patent Memorandum No. 3 which provided, among other things, that petitioner would not be divested of ownership of any invention made by him while engaged in this work other than those which, in the opinion of the Chief Signal Officer, should be owned and controlled by the War Department to safeguard the public interest. The United States Government's right to a non-exclusive license was not involved.

In *March of 1943,* while at work on an "electric governor", petitioner conceived an invention which has been described as "Alternating Current Machines"; and in August of 1944 petitioner conceived an invention designed to maintain the voltage output of a generator. Applications for patents on these inventions were prepared and filed by the Government for and on behalf of the petitioner, and certificates by the Secretary of War, under the Act of March 3, 1883, as amended (35 U. S. C. A. 45) were secured by the Government and filed by it. The first application was filed *July 6, 1944,* and the second application was filed on *July 25, 1946.*

During December, 1946, an acrimonious dispute arose between the petitioner and a Colonel in charge of the Laboratory. This dispute was occasioned by the charges made by petitioner that the Colonel had made public certain secret and confidential information given to him by petitioner relating to the inventions. The Colonel's demand that Kober publicly apologize resulted in Kober's resignation.

On the *last day of December, 1946,* after petitioner had resigned from the Government service, complete assignments of the applications were demanded by one Weber, of the Signal Agency. On *April the 16th, 1947,* the then Chief Signal Officer, in a letter addressed to Kober, stated that in his, the Chief Signal Officer's opinion, the public interest demanded that these inventions of petitioner be owned and controlled by the War Department.

The United States Government brought suit for specific performance of Patent Memorandum No. 3 which they described as a "contract". The District Court found that Kober had been specifically assigned to make the inventions for which patent applications had been filed. The District Court further found that the Chief Signal Officer had made the determination under a contract and therefore his decision was binding on petitioner.

At the trial, during the cross-examination of the Chief Signal Officer as to the background of the determination, but while no question was pending, the District Court Judge stopped said cross-examination and directed counsel to go on to something else. At the conclusion of the trial said District Court Judge granted a judgment for specific performance of Patent Memorandum No. 3 and required petitioner to assign the two applications for patents.

The United States Court of Appeals for the Fourth Circuit affirmed the judgment of the District Court, although agreeing with petitioner's contentions that good faith on the part of the Chief Signal Officer in making the determination for which the contract provided was essential to vest title to the inventions in the United States, and that his decision would be reviewable for fraud, bad faith, or failure to exercise an honest judgment; and that even though the Chief of the Signal Corps acted in good faith, his determination would be set aside if it were shown to have been fraudulently induced by false statements or other fraudulent conduct on the part of the subordinates of the Chief Signal Officer or such conduct on the part of others.

IV.

The Questions Presented.

(1) Was there any basic statutory foundation for Patent Memorandum No. 3, and may a governmental department impose upon government servants a contract obligation of the sort herein described?

(2) In the event it should be determined that such a "contract" is valid, does not the imposition of such a "contract" on an employee as the basis for his continuing his employment, render such a "contract" involuntary and void?

(3) Did the District Court commit error in terminating the cross-examination of the Major General on the points then being explored by counsel for defendant?

(4) Was the preparation and filing by Government counsel of the applications for letters patent under the Act of March 3, 1883, as amended, a decision under a statute, and did the expiration of time from July, 1944 until April of 1947 estop or prevent any binding determination by the Chief Signal Officer on the first patent application?

V.

Grounds for Granting Writ.

(1) When the United States Court of Appeals for the Fourth Circuit determined that there was basic statutory foundation for the imposition upon a Government servant of a regulation granting the power to an authoritative officer of the Government to limit the commercial right of said servant in inventions made by him, the said Court of Appeals decided an important question which has not been, but should be, settled by *this Court.*

(2) When the United States Court of Appeals for the Fourth Circuit determined that the contract involved in this case was valid, even though said "contract" (Patent Memorandum No. 3) was imposed upon such employee as the basis for his continuing his employment, it determined a federal question in conflict with a decision of *this Court.*—*U. S.* v. *Tingey,* 30 U. S. 115, 5 Peters 115, 8 Law Ed. 66.

(3) When the United States Court of Appeals for the Fourth Circuit determined that the preparation and filing by Government counsel of application for letters patent under the Act of March 3, 1883, as amended, and the certification by the Secretary of War that such applications should be filed under said statute, were not binding on the Government and had no effect on the rights of petitioner, it made a determination which is in direct conflict with an applicable decision of this Court (*U. S.* v. *Dubilier Condenser Corporation,* 289 U. S. 178, 77 Law Ed. 1114).

(4) When the United States Court of Appeals for the Fourth Circuit determined that the District Court Judge was not in error in stopping the cross-examination of the Chief Signal Officer and gave as its reason a lack of tender of proof on the part of petitioner, and determined that there was no pretense of compliance with the requirements of Rule 43(c) of the Rules of Civil Procedure, it so far sanctioned a departure from the accepted and usual course of judicial proceedings by the said District Court as to call for an exercise of this Court's (U. S. Supreme Court) power of supervision.—*Alvord* v. *U. S.*, 282 U. S. 687, 75 Law Ed. 624.

VI.

Petitioner begs leave to amplify his argument and reasons for granting the writ in the brief which is herewith submitted.

VII.

Wherefore, your petitioner respectfully prays that a writ of certiorari be issued under the seal of this Court, directed to the United States Court of Appeals for the Fourth Circuit, sitting at Richmond, Virginia, commanding that Court to certify and send to this Court, on a day to be designated, a full and complete transcript of the record and of all proceedings had by the said United States Court of Appeals for the Fourth Circuit, in said cause, to the end that this cause may be reviewed and determined by this Honorable Court; that the said decision and judgment of the United States Court of Appeals for the Fourth Circuit be reviewed by this Honorable Court; and that your petitioner may be granted such relief as may seem proper.

And your petitioner will ever pray.

WILLIAM KOBER,
Petitioner.

Supreme Court of the United States

WILLIAM KOBER, *Petitioner*,

(Appellant in the Circuit Court of Appeals and Defendant in the District Court),

v.

UNITED STATES OF AMERICA, *Respondent*,

(Appellee in the Circuit Court of Appeals and Plaintiff in the District Court).

BRIEF IN BEHALF OF PETITIONER.

I.

There was no basic statutory foundation for the agreement, and the Signal Corps had no legal right to impose upon petitioner the contract obligation relating to his inventions herein described:

The pertinent portions of the agreement are:

> "You are hereby assigned to develop improvement in arts of value to the Chief Signal Officer. It is expected that this work may result in the discovery of patentable features, and your assignment to this work is for the particular purpose of vesting in the United States all right, title and interest to any invention that you may make while engaged in the work assigned, if in the opinion of the Chief Signal Officer the public

interest demands that the invention be owned and controlled by the War Department."

"This notice of assignment to develop improvements in arts of value to the Signal Corps shall not be construed as divesting you of ownership of any invention made by you while engaged on this work, other than those which in the opinion of the Chief Signal Officer should be owned and controlled by the War Department to safeguard the public interest, . . ."

But this Court has said, in *U. S.* v. *Dubilier Condenser Corporation, supra:*

"The committee recommended legislation to create an Interdepartmental Patents Board; and further that the law make it part of the express terms of employment, having the effect of a contract, that any patent application made or patent granted for an invention discovered or developed during the period of government service and incident to the line of official duties, which in the judgment of the board should, in the interest of the national defense, or otherwise in the public interest, be controlled by the government, should upon demand by the board be assigned by the employee to an agent of the Government. *The recommended measures were not adopted.* (emphasis supplied)

"Fifth. Congress has refrained from imposing upon government servants a contract obligation of the sort above described. At least one department has attempted to do so by regulation. Since the record in this case discloses that the Bureau of Standards had no such regulation, it is unnecessary to consider whether the various departments have power to impose such a contract upon employees without authorization by act of Congress. The question is more difficult under our form of government than under that of Great Britain, where such departmental regulations seem to settle the matter."

The Circuit Court of Appeals did not think the contract invalid. On the contrary it believed that it was amply supported by the Act of August 29, 1916, c. 418, sec. 1 (39 Stat.

622, 10 USCA 1223) Act of July 2, 1942, c. 477, sec. 8 (56 Stat. 631-632).* †

II.

But even if the contract was lawful, proper and amply supported by statute, still it was involuntary and void:

Petitioner was employed by the Signal Corps Ground Signal Service in April of 1942 and, retaining his same status, he was transferred to the Laboratory in January of 1943. Before being allowed to continue his employment he was required to sign the "contract" and other papers. Our contention in this respect is best stated in the language of this Court:

> "The substance of the plea is that the bond, with the above condition, variant from that prescribed by law, was under colour of office extorted from debtor and his sureties, contrary to the statute, by the then Secretary of the Navy, *as the condition of his remaining in the office of purser*, and receiving its emoluments. There is no pretence then to say that it was a bond voluntarily given, or that though different from the form prescribed by the statute, it was received and executed without objection. It was demanded of the party, upon peril of losing his office . . .
>
> "It was plainly then an illegal bond; for no officer of the government has a right, by colour of his office, to

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* "1223. Contracts of Signal Corps.—Whenever contracts which are not to be performed within sixty days are made on behalf of the Government by the Chief Signal Officer, or by officers of the Signal Corps authorized to make them, and are in excess of $500 in amount, such contracts shall be reduced to writing and signed by the contracting parties. In all other cases contracts shall be entered into under such regulations as may be prescribed by the Chief Signal Officer. (Aug. 29, 1916, c. 418, § 1, 39 Stat. 622.)"

† The Act of July 2, 1942, was the appropriation for the fiscal year ending June 30, 1943, and authorized the Secretary of War, where his facilities were inadequate, to employ by contract or otherwise, without reference to the Civil Service Act, certain professional personnel, at rates of compensation not to exceed $50.00 per day. Petitioner had been employed in April of 1942, prior to the passage of this Act.

> require from any subordinate officer, as a condition of holding office, that he should execute a bond with a condition different from that prescribed by law."—*U. S.* v. *Tingey, supra.*

III.

The United States Court of Appeals for the Fourth Circuit agreed with petitioner that good faith on the part of the Chief Signal Officer in making his determination was essential in order to vest the titles to the inventions in the United States, and that the decision would be reviewable for fraud, bad faith, or failure to exercise an honest judgment; and said Court also said that if the Chief Signal Officer had been induced by false statements or other fraudulent conduct on the part of his subordinates or others, the determination would be set aside.

But the said appellate court determined that the failure of counsel for petitioner to comply with the requirements of 43(c) of the Rules of Civil Procedure prevented the petitioner's reliance upon the exclusion of evidence as error on appeal. Petitioner's position on appeal had been:

> "The Court (District) also erred in preventing the continuation of the cross-examination of the Chief Signal Officer to develop fraud, gross negligence or failure to exercise an honest judgment."

The claim below was not that the Court excluded any particular question, but that the District Court judge cut off appellant's cross-examination of an adverse witness, and that in such a situation a tender of proof was not only unnecessary but practically impossible. Petitioner submits that he could not know in advance what pertinent facts might be elicited on cross-examination. Necessarily, petitioner says, cross-examination is exploratory.

At the trial of the case at bar the last question asked of the witness was answered, and *then* the Court interposed to stop the cross-examination on this point. The District Court's action is best explained in its own words:

> "It seems to me your question has gone far enough. The agreement signed by Mr. Kober is to the effect that he will assign any invention that he produces if, in the opinion of the Chief Signal Officer, the public interest demands it. The evidence here is that the Chief Signal Officer, General Akin, has determined that the public interest does demand it. I don't believe that the court is at liberty to inquire as to why he made that determination or how he made that determination."

Petitioner says it was not necessary that he indicate the purpose of his inquiry, and the stopping of the cross-examination was a summary denial of a right, and no prejudice need be established to show error.—*Alvord* v. *U. S.*, *supra.*

The appellate court took the view that there had been a full cross-examination and that the Court merely declined to permit examination to show that the Major General had made a mistake. The appellate court further commented on the empty noise or threat ("mere *brutum fulmen*") of counsel for petitioner charging fraud, and said there was no specific question or offer of proof to support the statement. The facts shown by the record, even though the cross-examination was stopped, are that from 1944 until April of 1947 the Chief Signal Officer had made no attempt to assert any rights on behalf of the Government against the commercial ownership of petitioner; and that four months before the Chief Signal Officer allegedly made his determination, officials of the Agency had already demanded that the assignment be made by petitioner. The only reason given, according to the record, for this early demand (December 31, 1946) was the acrimonious dispute between Colonel Moynahan and petitioner, and the refusal of petitioner to appear at a place to be designated by the said military gentleman, and publicly apologize. The record is also clear that participating in the attempt to take these patents from petitioner was a Mr. Hall, attorney em-

ployed in the Patent Agency who was counsel of record for Kober in the patent applications.

The record also indicates that prior to the action taken by the Chief Signal Officer, he had been given misinformation by his subordinates. This misinformation included their showing him an erorneously prepared document bearing materially on the subject matter, and failing to show him or inform him of the existence of the corrected document which had been properly processed through official channels. The record is also clear that when the Chief Signal Officer took the action he did not know that the rights under the subject applications had long before been determined and registered in the official register of the United States Patent Office. Thus, the Chief Signal Officer was not making a determination but a reversal of a determination previously made, and he was making this reversal long after the original determination without knowing that it was a reversal. The record is also clear that the determination, for the first of the subject applications,—made in 1944 during the crisis of the war—was an official determination of rights including the decision that the safeguarding of the national security and the public interest did not require appropriation of the commercial rights to the inventions by the Government. The determination was made for the second of the subject applications in the summer of 1946. The record is clear that the arbitrary reversal of the determination, which took no notice of the fact that it was a reversal, was made in 1947 long after the war was over, and shortly after personal acrimony in the office in which petitioner was employed,—and after his resignation from that employment; and it was after written threats by subordinates of the Chief Signal Officer, who were the active parties in the personal acrimony above referred to, that they would get the Chief Signal Officer's signature to a determination cancelling petitioner's commercial rights in the inventions if the petitioner did not yield to their

coercion by "voluntarily" abandoning the rights reserved to him in the original, official determination.

It was to further develop this unusual situation that the cross-examination was directed, and the "*brutum fulmen*" (empty noise) of counsel for petitioner was an attempt to persuade the District Court Judge to allow counsel to continue his examination for the purpose of developing the fraud practiced on the petitioner *and* the Chief Signal Officer, and to bring before the Court the facts pertinent to the action taken by the Chief Signal Officer, and the basis and nature of that action.

The record is also clear that there was no argument sustained or even advanced by the Government that the safeguarding of the national defense was involved; and that the only statement that might be alleged to relate to the public interest was the statement of the Chief Signal Officer that the confiscation of petitioner's commercial rights, already in existence and a matter of official Patent Office record for nearly three years, might stimulate development of production facilities in the subject products and might thus make the said products available to the Government at a lower price, a theory which denies not only Constitutional rights in inventions but the basic principle of patents, in addition to being wholly without legal validity as a ground for an action taken by an officer whose legal powers are specifically limited to miitary matters. A further analysis of this reason for confiscating patent rights reveals that it must apply equally to any invention that is not trivial or worthless, leaving to employees in the petitioner's position the right to continued possession only to inventions that prove worthless.

IV.

Government counsel prepared applications for letters patent and obtained the certification by the Secretary of

*War under the provisions of the Act of March 3, 1883, as amended.** These applications were filed.

This Court has had occasion to discuss and consider this Section, and in *U. S.* v. *Dubilier Condenser Corporation, supra,* this Court discussed the legislative history of the amendment, and then said:

> "The legislative history of the amendment clearly discloses the purpose to save to the employee his right to exclude the public. . . ."

And this Court also said, in said case:

> "When the bill came up for passage in the House a colloquy occurred which clearly disclosed the purpose of the amendment. The intent was that a government employee who in the course of his employment conceives an invention should afford the government free use thereof, but should be protected in his right to exclude all others. If Dunmore and Lowell, who tendered the government a non-exclusive license, without royalty, and always understood that the government might use their inventions freely, had proceeded under the Act of 1883, they would have retained their rights as against all but the United States. This is clear from the executive interpretation of the Act . . ."

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* The following seems to be the only statute applicable here: Title 35, Section 45, of the Federal Code, Annotated:

> "45. Same; issue to Government officers for inventions used in public service.—The Commissioner of Patents is authorized to grant, subject to existing law, to any officer, enlisted man, or employee of the Government, except officers and employees of the Patent Office, a patent for any invention of the classes mentioned in section 4886 of the Revised Statutes (§ 31 of this title), without the payment of any fee when the head of the department or independent bureau certifies such invention is used or liable to be used in the public interest: Provided, That the applicant in his application shall state that the invention described therein, if patented, may be manufactured and used by or for the Government for governmental purposes without the payment to him of any royalty thereon, which stipulation shall be included in the patent. (Mar. 3, 1883, c. 143, 22 Stat. 625; Apr. 30, 1928, c. 460, 45 Stat. 467.)"

V.

If this judgment is affirmed by this Court, no Government employee required to sign such memorandum may ever be certain that he is the owner of the commercial rights in any invention made while employed by the Government. Apparently the passage of time has no effect, as the United States Court of Appeals for the Fourth Circuit directly stated that the rights of the Unied States were not prejudiced by passage of time or by the certification by the Secretary of War. If almost three years is a reasonable time in which to change the patent situation, then ten years might also be reasonable, but the appellate court did not discuss this question at all.

If this decision stands it seems that no Government employee who has signed such a memorandum may ever deal with any patent or application for patent with the certainty that he is disposing of his own property. The defeasible title to such inventions makes uncertain many existing patent rights, as certainly petitioner is not the only Government employee who signed such a memorandum, as the memorandum was a requirement for all employees at that branch. It is understood that other governmental agencies have adopted this system of imposing upon Government servants such a contractual obligation. From the opinion of this Court in *U. S.* v. *Dubilier Condenser Corporation, supra,* it is believed that such a practice is at lease questionable if not wrong and improper.

Conclusion.

The Circuit Court of Appeals and the District Court have said that even if the contract could not be specifically performed, yet, under the general law, the Government was entitled to own the patents. In response to this suggestion it is pointed out to the Court that originally this was a suit to specifically perform a written instrument and for no other purpose. It was tried by the petitioner in the lower

court on this ground and none other. The opinion of the District Court on April 13, 1948, included these words:

> ". . . For these reasons the court feels that a decree should go for the plaintiff for specific performance. . . ."

We are particularly cautioned by the words of the appellate court in its opinion which reads as follows:

> "Appellant questions the validity of the contract on the ground that it is lacking in statutory foundation. If it were held invalid, this would not help appellant, as the Government would then be entitled to the inventions on the ground that appellant had made it while employed for the purpose of conducting investigations and making experiments from which it was anticipated that patentable inventions would result. . . ."

Respectfully submitted,

MARK P. FRIEDLANDER,
Attorney for Petitioner,
502 Hill Building,
839 Seventeenth St., N. W.,
Washington 6, D. C.